

**686C.5 Adjustment.**

1. Except as provided in subsections 2, 3, and 4, the fair market value of total gross assets at the time of a merger or consolidation shall increase annually at a rate equal to the sum of the prime rate as listed in the first edition of the Wall street journal published for each calendar year since the merger or consolidation, unless the prime rate is not published in that edition of the Wall street journal, in which case any reasonable determination of the prime rate on the first day of the year may be used, plus one percent.

2. The rate determined under [subsection 1](#) shall not be compounded.

3. The adjustment of the fair market value of total gross assets shall continue as provided in [subsection 1](#) until the date the adjusted value is first exceeded by the cumulative amounts of successor asbestos-related liabilities paid or committed to be paid by or on behalf of the successor corporation or a predecessor or by or on behalf of a transferor after the time of the merger or consolidation for which the fair market value of total gross assets is determined.

4. No adjustment of the fair market value of total gross assets shall be applied to any liability insurance that may be included in the total gross assets pursuant to [section 686C.4, subsection 2](#).

[2017 Acts, ch 11, §23](#)